

## California Small Group Debit Input Sheet



## New Business Medical Underwriting Rate-Up Worksheet

version: 3.16

Quote Number	123456
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Effective Date **07/01/2011**

Group Name	ABC Company
Group Address	123 Main Street
City, State	San Diego, CA

CA

Number of Eligible Subscribers	7
Number of Enrolling Subscribers	7
Estimated Number of Enrolling Members	19

(9) Exh A page 2 - Observed Risk: 4,504.0

(5) Exh A page 2 - Expected Risk: 4,004.6

Relative Risk Score (RRS): 1.1247

Medical Rate-Up Percentage: 3.13%

Group's Underwriting Rate Adjustment Factor (RAF): **1.0313**

## Subscriber Count for ABC Company

Age Bracket	Male Single	Male Couple	Male Par/Child	Male Family	Female Single	Female Couple	Female Par/Child	Female Family
<25	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	1	0	0	1	0	0	0
35-39	0	0	0	0	0	0	1	0
40-44	0	0	0	0	0	0	0	1
45-49	1	0	0	1	0	0	0	0
50-54	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0
60-64	0	0	0	0	1	0	0	0
65+	0	0	0	0	0	0	0	0
	1	1	0	1	2	0	1	1

## Conditions Listing for ABC Company

Member Name/ID	Birthdate	Gender	Tier	Medical Condition	Debit Points
1				Asthma requiring both asthma shots and prescription medicine (s).	1,400
2				Brain Injury, no residuals, last treatment within 1 year.	750
3				Back Problems using controlled non-steriodal anti-inflammatory drugs	775
Enter Remaining Debits Here and Attach Additional Documentation:					

(C)

Sum of Observed Chronic debits from the Underwriting Manual = 2,925.0

## Exhibit A

<b>California Small Group</b> <b>New Business Medical Underwriting Rate-Up Worksheet</b> <b>Rate Band 0.90 to 1.10</b>			
Quote Number		123456	
Group Name		ABC Company	
State		CA	
<b>Medical Underwriting Rate-Up Assumptions</b>			
(1)	Rate Band Range (+/-) used for all groups (RAF Range is 0.90 - 1.10)	10%	
(2)	Percent of Observed Chronic Covered By Debits from the Underwriting Manual - used for all groups	100.0%	
<b>Medical Rate-Up Calculation for Group</b>			
Denominator steps 3-5	(3)	Expected Acute Debits    See (A) on Exhibit A (page 3)	1,579.0
	(4)	Expected Chronic Debits    See (B) on Exhibit A (page 3)	2,425.6
	(5)	<b>Expected Risk    (3) + (4)</b>	<b>4,004.6</b>
Numerator steps 6-9	(6)	Observed Chronic Debits not Covered By Debit points from the Underwriting Manual    (4) * [ 1 - (2) ]	0.0
	(7)	Expected Acute Debits    See (A) on Exhibit A (page 3)	1,579.0
	(8)	Observed Chronic Debits covered by debit points from the Underwriting Manual    See (C) on Exhibit A (page 1)	2,925.0
	(9)	<b>Observed Risk    (6) + (7) + (8)</b>	<b>4,504.0</b>
	(10)	Group's Relative Risk Score (RRS)    (9) / (5)	1.1000
	(11)	"Starting" Relative Risk Score for all groups	0.9600
	(12)	Underwriter's Rate-Up Factor    (10) / (11) * Min RAF Allowed	1.0313
	(13)	Minimum RAF test - if RAF<0.90 then set RAF to 0.90	1.0313
	(13)	Maximum RAF test - if RAF>1.10 then set RAF to 1.10	1.0313
	(14)	<b>Final Rate Adjustment Factor</b>	<b>1.0313</b>

# Exhibit A

## California Small Group Debit Input Sheet

Inherent (Acute)

### Employee & Spouse Expected Debits

Age Bracket	Male Single	Male Couple	Male Par/Child	Male Family	Female Single	Female Couple	Female Par/Child	Female Family
<25	\$62.94	\$191.65	\$174.34	\$310.88	\$100.43	\$166.51	\$202.69	\$281.87
25-29	\$73.18	\$219.80	\$197.07	\$365.39	\$113.27	\$190.12	\$232.76	\$324.52
30-34	\$75.80	\$215.14	\$200.82	\$379.24	\$112.90	\$192.50	\$240.49	\$345.74
35-39	\$80.52	\$212.02	\$226.44	\$389.26	\$112.93	\$197.46	\$250.24	\$357.70
40-44	\$88.88	\$210.10	\$239.18	\$392.10	\$119.96	\$213.29	\$260.58	\$367.35
45-49	\$98.59	\$221.48	\$221.75	\$384.91	\$121.97	\$225.49	\$236.68	\$364.29
50-54	\$111.47	\$239.18	\$232.64	\$375.06	\$126.67	\$243.73	\$235.36	\$358.38
55-59	\$135.05	\$279.15	\$243.73	\$407.27	\$142.47	\$284.28	\$243.61	\$394.39
60-64	\$152.24	\$302.37	\$251.41	\$405.72	\$149.86	\$309.71	\$238.89	\$411.43
65+	\$137.36	\$269.47	\$238.53	\$372.85	\$132.62	\$270.81	\$223.40	\$372.51

(A) = sum of Expected Acute debits based on demographic mix of each group. These debits are used for all groups. Highlighted debits correspond to the census used in this example.

$$= \text{sum of } (98.59 + 215.14 + 384.91 + 112.90 + 149.86 + 250.24 + 367.35) = 1,578.99$$

Expected Chronic

### Employee & Spouse Expected Debits

Age Bracket	Male Single	Male Couple	Male Par/Child	Male Family	Female Single	Female Couple	Female Par/Child	Female Family
<25	\$53.41	\$290.36	\$110.55	\$351.50	\$156.40	\$212.49	\$208.86	\$271.66
25-29	\$62.09	\$355.81	\$125.62	\$430.47	\$215.06	\$280.24	\$276.35	\$349.19
30-34	\$76.70	\$355.83	\$140.82	\$440.00	\$220.15	\$300.72	\$285.59	\$379.29
35-39	\$93.41	\$343.02	\$168.21	\$433.92	\$214.38	\$312.46	\$284.82	\$394.63
40-44	\$121.24	\$364.05	\$198.34	\$457.38	\$233.88	\$361.18	\$306.02	\$440.22
45-49	\$164.98	\$423.76	\$228.17	\$507.59	\$256.83	\$430.08	\$315.67	\$501.29
50-54	\$234.73	\$534.16	\$296.87	\$603.81	\$297.00	\$543.45	\$352.72	\$602.26
55-59	\$359.65	\$743.39	\$415.37	\$809.08	\$379.41	\$757.03	\$431.27	\$813.50
60-64	\$498.32	\$951.11	\$549.21	\$1,004.13	\$452.03	\$975.30	\$497.67	\$1,027.45
65+	\$526.23	\$1,005.74	\$578.12	\$1,058.76	\$481.33	\$1,010.75	\$527.89	\$1,062.92

(B) = sum of Expected Chronic debits based on demographic mix of each group. These debits are used for all groups. Highlighted debits correspond to the census used in this example.

$$= \text{sum of } (164.98 + 355.83 + 507.59 + 220.15 + 452.03 + 284.82 + 440.22) = 2,425.62$$

Expected Inherent (Acute) and Expected Chronic debit tables are used for all Utah Small groups. Groups with similar Age/Gender/Tier characteristics will be assigned the same number of expected acute and chronic debits (denominator of Relative Risk Score).